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79TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } No. 2071

FEDERAL EMPLOYEES PAY ACT OF 1946

MAY 16, 1946.—Ordered to be printed

Mr. RANDOLPH, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1415]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Employees Pay Act of 1946".

INCREASE IN CLASSIFICATION ACT PAY RATES

Sec. 2. (a) Each of the existing rates of basic compensation provided by section 13 of the Classification Act of 1923, as amended and supplemented, except those affected by subsection (b) of this section, is hereby increased by 14 per centum or \$250 per annum whichever is the greater, except that no such rate shall be increased by more than 25 per centum. Such augmented rates shall be considered to be the regular rates of basic compensation provided by such section.

(b) (1) The proviso to the fifth paragraph under the heading "Crafts, Protective, and Custodial Service" in section 13 of the Classification Act of 1923, as amended, is hereby amended to read as follows: "Provided, That charwomen working part time be paid at the rate of 90 cents an hour, and head charwomen at the rate of 95 cents an hour".

Retained from File Labeled

(2) Such section is amended so as to provide the following rates of compensation for positions in the clerical-mechanical service:

Grade 1, 90 to 97 cents an hour.

Grade 2, \$1.04 to \$1.12 an hour.

Grade 3, \$1.20 to \$1.27 an hour.

Grade 4, \$1.35 to \$1.49 an hour.

(c) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

SEC. 3. Each of the existing rates of basic compensation provided by the Act entitled "An Act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by 14 per centum or \$250 per annum whichever is the greater, except that no such rate shall be increased by more than 25 per centum. Such augmented rates shall be considered to be the regular rates of basic compensation.

INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

SEC. 4. Rates of basic compensation specifically provided by statute (including any increase therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945) for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1945, and are not increased by any other provision of this Act, are hereby increased by 14 per centum or \$250 per annum whichever is the greater, except that no such rate shall be increased by more than 25 per centum. Such augmented rates shall be considered to be the regular rates of basic compensation.

INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

SEC. 5. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus (A) 14 per centum of his rate of compensation (including the additions thereto resulting from the application of the foregoing percentages), or (B) \$250 per annum, whichever is the greater, except that such rate of compensation shall not be increased by more than 25 per centum".

(b) The second sentence of such section 501 is amended to read as follows: "The additional compensation provided by this section and section 502 shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended."

(c) Section 502 of such Act is amended to read as follows:

"ADDITIONAL COMPENSATION IN LIEU OF OVERTIME"

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this Act shall be paid additional compensation at the rate of 10 per centum of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this Act."

INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

SEC. 6. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus (A) 14 per centum of his rate of compensation (including the additions thereto resulting from the application of the foregoing percentages), or (B) \$250 per annum, whichever is the greater, except that such rate of compensation shall not be increased by more than 25 per centum".

(b) The second sentence of such section 521 is amended to read as follows: "The limitations of \$6,500 and \$7,500 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the eighth paragraph under the head 'Miscellaneous Items of Expense' in The Judiciary Appropriation Act, 1946 (Public Law Numbered 61, Seventy-ninth Congress), or in any subsequent appropriation Act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this section; and the changes in the rates of basic compensation in the Classification Act of 1923, as amended, made by section 405 of this Act and section 2 of the Federal Employees Pay Act of 1946 shall not be taken into account in fixing salaries under any such appropriation Act."

(c) Section 522 of such Act is amended to read as follows:

"ADDITIONAL COMPENSATION IN LIEU OF OVERTIME"

"SEC. 522. (a) Each officer and employee of the Supreme Court of the United States entitled to the benefits of section 521 of this Act shall be paid additional compensation at the rate of 10 per centum of the rate of his basic compensation. As used in this subsection the term 'basic compensation' includes the additional basic compensation provided by section 521 of this Act.

"(b) The additional compensation provided by subsection (a) of this section shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended."

LIMITATION ON AGGREGATE RATE PAYABLE

SEC. 7. (a) Section 603 (b) of the Federal Employees Pay Act of 1945 is amended by inserting after the words "by reason of the enactment of this Act" the words "or any amendment thereto".

(b) Notwithstanding any other provision of this Act, no officer or employee shall, by reason of the enactment of this Act, be paid with

respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of \$10,000 per annum.

VESSEL EMPLOYEES

SEC. 8. (a) Section 102 (d) of the Federal Employees Pay Act of 1945 is amended to read as follows:

“(d) This Act, except sections 606 and 607, shall not apply to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, to vessel employees of the Coast and Geodetic Survey, to vessel employees of the Department of the Interior, or to vessel employees of the Panama Railroad Company.”

(b) Section 606 of such Act is amended to read as follows:

“VESSEL EMPLOYEES

“**SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, and vessel employees of the Panama Railroad Company, may be compensated in accordance with the wage practices of the maritime industry.**”

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 9. Section 202 (a) of the Federal Employees Pay Act of 1945 is amended by striking out “forty-eight hours” and inserting in lieu thereof “forty hours”.

NIGHT PAY DIFFERENTIAL

SEC. 10. That part of section 301 of the Federal Employees Pay Act of 1945 which precedes the first proviso is amended to read as follows: “Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which, including overtime, falls between the hours of 6 o’clock postmeridian and 6 o’clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 per centum in excess of his rate of basic compensation for duty between other hours.”.

PAY FOR HOLIDAY WORK

SEC. 11. That part of the first sentence of section 302 of the Federal Employees Pay Act of 1945 which precedes the proviso is amended to read as follows: “Any officer or employee to whom this title applies who is assigned to duty on a holiday designated by Federal statute or Executive order during hours which fall within his basic administrative workweek of forty hours shall be compensated for not to exceed eight hours of such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such duty, at the rate of twice such regular rate of basic compensation, in addition to any extra compensation for night duty provided by section 301 of this Act.”.

PAY RATES FOR GRADES 9 AND 10 OF THE CRAFTS, PROTECTIVE, AND CUSTODIAL SERVICE OF THE CLASSIFICATION ACT

Sec. 12. (a) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 9 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be \$2,870, \$2,980, \$3,090, \$3,200, \$3,310, \$3,420, and \$3,530."

(b) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 10 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be \$3,200, \$3,310, \$3,420, \$3,530, \$3,640, \$3,750, and \$3,860."

(c) With respect to grades 9 and 10 of the Crafts, Protective, and Custodial Service, the increase in rates of basic compensation provided by section 2 of this Act shall be computed on the rates of basic compensation established for such grades, as amended by subsections (a) and (b) of this section.

GENERAL ACCOUNTING OFFICE

Sec. 13. This Act and any other general legislation heretofore or hereafter enacted governing the employment, compensation, emoluments, and status of officers and employees of the United States shall apply to officers and employees of the General Accounting Office in the same manner and to the same extent as if such officers and employees were in or under the executive branch of the Government.

PERSONNEL CEILINGS

Sec. 14. (a) Section 607 of the Federal Employees Pay Act of 1945 is amended by adding at the end thereof a new subsection as follows:

"(g) (1) In carrying out the provisions of subsection (b) of this section—

"(A) with respect to the departments (other than the Department of War and the Department of the Navy), establishments, and agencies (including Government-owned or controlled corporations) in the executive branch, the Director shall so determine the numbers of full-time civilian employees and the man-months of part-time employment on the basis of the relative needs of such departments, establishments, and agencies for personnel, that the aggregate number of such civilian employees (including the full-time equivalent of man-months of part-time employment) shall not exceed (i) five hundred and twenty-eight thousand nine hundred and seventy-five for the quarter beginning October 1, 1946; (ii) five hundred and one thousand seven hundred and seventy-one for the quarter beginning January 1, 1947; (iii) four hundred and seventy-four thousand five hundred and sixty-seven for the quarter beginning April 1, 1947; and (iv) four hundred and forty-seven thousand three hundred and sixty-three after June 30, 1947;

"(B) with respect to the Department of War and the Department of the Navy, the Director shall so determine the numbers of civilian employees (including the full-time equivalent of man-months of part-time employment) that at the earliest date practicable, but in no event later than July 1, 1947, the number shall not exceed one hundred and seventy-six thousand with respect to the Department of War, or one hundred thousand with respect to the Department of the Navy.

The numbers of employees specified in this paragraph shall be regarded as maximum numbers, and nothing herein shall be construed to limit the authority of the Director to establish lower aggregate numbers whenever, in his opinion, the numbers so specified are in excess of those necessary for the proper and efficient exercise of the authorized functions of the departments, establishments, and agencies to which this subsection applies. The procedural provisions of subsection (b) of this section shall be applicable with respect to determinations under this paragraph.

"(2) No provision of law heretofore or hereafter enacted authorizing the employment of personnel by, or appropriating funds for the compensation of personnel of, or conferring additional functions upon, any department, establishment, or agency, shall be construed to authorize the employment of, or payment of compensation to, a greater number of employees subject to this subsection than the number so determined by the Director with respect to such department, establishment, or agency unless such provision of law specifically authorizes the employment or payment of salaries of personnel in excess of such number, or exempts such department, establishment, or agency from the provisions of this subsection, and any such employment or payment not so authorized shall be deemed to be a violation of the provisions of section 3679 of the Revised Statutes of the United States (U. S. C., 1940 edition, title 31, sec. 665).

"(3) The provisions of this subsection shall not apply with respect to employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose. The provisions of subparagraph (A) of paragraph (1) shall not apply with respect to officers and employees in the field service of the Post Office Department or to officers and employees of the Veterans' Administration, but shall apply with respect to officers and employees outside the United States whose compensation is fixed in accordance with the Classification Act of 1923, as amended, and who are not excluded from the provisions of this section by the provisions of subsection (f). The provisions of subparagraph (B) of paragraph (1) shall not apply with respect to officers and employees outside the several States and the District of Columbia."

(b) Effective October 1, 1946, subsection (f) of such section is amended by striking out "(1) employees of the War and Navy Departments except those who are subject to the provisions of titles II and III of this Act; or (2)".

APPROPRIATIONS AUTHORIZED

SEC. 15. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

Sec. 16. This Act, except section 14 (b), shall take effect on July 1, 1946.

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes."

JENNINGS RANDOLPH,
HENRY M. JACKSON,
GEORGE P. MILLER,
EDWARD H. REES,
JOHN W. BYRNES,

Managers on the Part of the House.

SHERIDAN DOWNEY,
HARRY BYRD,
B. B. HICKENLOOPER,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment to the text of the bill strikes out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

Except for the differences noted in the following statement, the conference substitute is the same as the House amendment.

INCREASE IN RATES OF BASIC COMPENSATION

The House amendment increases the rate of basic compensation of each officer and employee in the executive, legislative, and judicial branches of the Federal Government and the District of Columbia government to whom the amendment applies by \$400 per annum over his present rate. The Federal Employees Pay Act of 1945 increased each of the rates of basic compensation contained in section 13 of the Classification Act of 1923 on June 30, 1945, by 20 percent of that part thereof which is not in excess of \$1,200 per annum, plus 10 percent of that part thereof which is in excess of \$1,200 but not in excess of \$4,600, plus 5 percent of that part thereof which is in excess of \$4,600. The Senate amendment strikes out such rates of increase and substitutes therefor 36, 18, and 9 percent, respectively. The conference substitute provides for an increase of 14 percent or \$250 per annum, whichever is greater, over the present rate of basic compensation of each officer and employee in the executive, legislative, and judicial branches of the Federal Government and the District of Columbia government to whom the substitute applies, except that any such rate of compensation shall not be increased by more than 25 percent.

As compared with the conference substitute providing an over-all average increase of 14.2 percent, the House amendment increases the basic compensation of each officer and employee at an average rate of 17.1 percent. The Senate bill provides an average increase of 11 percent over the present rates.

Except for the operation of the provisions of section 14 (a), discussed hereafter, relative annual costs of such increases in basic compensation of officers and employees in the executive branch as of June 30, 1946, computed on the basis of 970,647 employees, are shown by the following figures: House amendment \$388,300,000; Senate bill \$248,500,000; and the conference substitute \$321,700,000.

Under the operation of section 14 (a), the cost of the conference substitute would be reduced by approximately 75 percent for the fiscal year 1947, so far as the executive branch is concerned, outside of the War and Navy Departments.

The annual cost of increases in basic compensation in the legislative and judicial branches and the District of Columbia government under the conference substitute would be approximately \$4,700,000.

Subsections (b) and (c) of section 4 of the House amendment are not contained in the conference substitute. Subsection (b) was in the bill as reported to the House and subsection (c) was added on the floor of the House. The purpose of these subsections was to extend the benefits of the bill to heads of departments and agencies, including the Directors of the Tennessee Valley Authority and the Chairman of the Advisory Board of the Inland Waterways Corporation. This was consistent with the policy of the bill as reported to the House, since such bill repealed the salary ceiling of \$10,000 per annum established by the Federal Employees Pay Act of 1945. The House, after adopting subsection (c), restored the \$10,000 ceiling on salaries, but these subsections remained in the bill as passed by the House. Since heads of departments and agencies receive salaries of \$10,000 per annum or more these subsections are meaningless and are therefore omitted from the conference substitute.

JUDICIAL BRANCH

Section 521 of the Federal Employees Pay Act of 1945 increased the limitations of \$6,500 and \$7,500 upon the salaries of secretaries and law clerks of circuit and district judges contained in the Judiciary Appropriation Act, 1946, by the amounts necessary to pay the additional basic compensation provided by such section. Since these limitations are being repeated in the Judiciary Appropriation Act, 1947, the conference substitute adds language to the second sentence of section 521 which also increases the same limitations in the 1947 Appropriation Act and in any subsequent appropriation act.

Section 6 of the House amendment repealed section 522 of the Federal Employees Pay Act of 1945 which authorized, until June 30, 1947, additional compensation, in lieu of overtime pay, at the rate of 10 percent on not to exceed \$2,900 of salary, for officers and employees in the judicial branch. The conference substitute is in agreement with the House amendment in this respect, except that it provides that additional compensation in lieu of overtime pay shall be paid, on a permanent basis, to officers and employees of the Supreme Court of the United States, at the rate of 10 percent of their aggregate salary, and that such additional compensation shall be regarded as a part of basic compensation for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

PERSONNEL CEILINGS

The House amendment contains a proviso in section 14 which states that, except in the case of the Veterans' Administration, no greater amount shall be appropriated to any executive department or agency for salaries for the fiscal year 1947 than the amount made available for such purpose for the fiscal year 1946. The purpose of

this proviso is, of course, to absorb the cost of the increases in compensation granted by the bill to employees in the executive branch by reducing the number of such employees.

It would be a practical impossibility to separate from the service as of the close of business on June 30, 1946, the entire number of employees necessary to absorb the cost of such increases. Moreover, if the separations were averaged throughout the fiscal year 1947, twice the number of employees would have to be discharged to accomplish this purpose. This would result in reducing total personnel to a point which would absorb twice the cost of the increases in compensation for the fiscal year beginning July 1, 1947, and would seriously endanger the ability of the executive departments and agencies to perform the functions imposed upon them by acts of Congress. Also, evidence presented to the conferees led to the conclusion that a limitation based solely upon the amount of funds appropriated or expended for personal services during the fiscal year 1947 would be impracticable to administer and would result in inequities in application. On the other hand, it is apparent that the number of personnel in the executive branch can be substantially reduced without affecting the proper and efficient exercise of the authorized functions of the executive branch.

The conference substitute provides a plan requiring the absorption of a major part of the pay increases through a gradual reduction of personnel during the fiscal year 1947. Such substitute amends section 607 of the Federal Employees Pay Act of 1945, which imposes upon the Director of the Bureau of the Budget the duty of establishing quarterly personnel ceilings, by adding a new subsection (g) requiring the Director in establishing such ceilings to determine the number of employees in the executive branch (except employees of the War and Navy Departments and employees referred to in the following paragraph) so that the aggregate number will not exceed 528,975 for the quarter beginning October 1, 1946, 501,771 for the quarter beginning January 1, 1947, 474,567 for the quarter beginning April 1, 1947, and 447,363 after June 30, 1947. If these limitations on employment are adhered to, there will result a saving during the fiscal year 1947 with respect to the employees affected of approximately 75 percent of the cost of the increases in compensation granted by this bill and an absorption of more than the entire cost of the increases for succeeding fiscal years. At the same time the number of employees will not be reduced to as low a figure as would be the case if the total cost of the increases were absorbed during the fiscal year 1947. The number of employees stipulated for each quarter is based on an initial estimate of 556,179 on June 30, 1946, and on the assumption that the reductions to meet the respective ceilings will take place gradually throughout the preceding quarter. In view of the existing uncertainty as to the personnel requirements of the War and Navy Departments during the course of the fiscal year 1947, such departments are not required to meet ceilings quarterly, but the Director of the Bureau of the Budget is required to effect a reduction so that at the earliest practicable date, but in no event later than July 1, 1947, the number of civilian personnel will not exceed 176,000 in the War Department and 100,000 in the Navy Department.

The employees of the Veterans' Administration, employees in the field service of the Post Office Department, employees of the government of the District of Columbia, and employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, are exempted from the ceilings fixed by this subsection, but employees, other than those of the War and Navy Departments, outside the United States whose compensation is fixed in accordance with the Classification Act of 1923, and who are not excluded from the provisions of section 607 by subsection (f) of such section, are included. With respect to the War and Navy Departments, only employees in the several States and the District of Columbia are included in the ceilings.

Subsection (g) also provides that any employment of, or payment of compensation to, a greater number of employees than the number determined by the Director of the Bureau of the Budget with respect to any department, establishment, or agency, under authority of such subsection shall be deemed to be a violation of section 3679 of the Revised Statutes (the antideficiency law) unless a provision of law specifically authorizes the employment of, or payment of salaries to, personnel in excess of the number determined by the Director, or exempts such department, establishment, or agency from the provisions of such subsection.

Section 607 (f) of the Federal Employees Pay Act of 1945 excluded from the authority of the Director of the Bureau of the Budget to establish quarterly personnel ceilings, until the cessation of hostilities in World War II as proclaimed by the President, wage-schedule or prevailing-rate employees of the War and Navy Departments, who were not subject to titles II and III of that act. Section 14 (b) of the conference substitute brings these employees under the Director's authority in this respect, effective October 1, 1946.

JENNINGS RANDOLPH,
HENRY M. JACKSON,
GEORGE P. MILLER,
EDWARD H. REES,
JOHN W. BYRNES,
Managers on the Part of the House.

